

From: Mia, Marcia

Sent: Monday, February 05, 2018 02:21 PM

To: Messina, Edward

Subject: RE: Talking Points for Peter

Attachments: FW: SAN 5719.8 - NSPS for Oil and Gas Option Selection

Sure. We did a write-up based on David's comments at the MAMPD two weeks ago which never went up (attached). The points he wanted to make at that time are excerpted here:

The rule is on an aggressive schedule for proposal and rulemaking. (See table below).

The workgroup already anticipates some issues directly related to implementation and enforcement of the rule. An example is a potential exemption for "blowdowns". Without a clear definition of a blowdown, the OECA may be tasked in the future with writing site specific applicability determinations, conducting more on-site inspections or issuing 114 requests to determine whether a particular operation is an exempted "blowdown."

OECA is often able to prevail through the rulemaking process to ensure clear rule language and sufficient monitoring, recordkeeping, and reporting for compliance with the rule. However, this can only be accomplished when there is sufficient time built into the rulemaking process for discussions to happen; potentially at the AA level. The aggressive rulemaking schedule will make this difficult for this rule.

We could update the email to reflect that OS happened and we identified an issue: reduced monitoring at well sites. We could provide some detail on why that matters to OECA. Is that what you have in mind?

Marcia B Mia, Acting Chief

Air Branch

Office of Compliance

2227A WJCS

U.S. Environmental Protection Agency

202-564-7042

From: Messina, Edward

Sent: Friday, February 02, 2018 10:40 AM

To: Mia, Marcia <Mia.Marcia@epa.gov>

Subject: RE: Talking Points for Peter

So are we doing an e-mail? I was just starting to think at the Option selection that the options they are selecting are reducing monitoring provisions which is squarely an OECA issue. I think I just want to give her a heads up that we are agreeing to reduce those provisions.

Ed Messina

Director

Monitoring, Assistance, and Media Programs Division

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From: Mia, Marcia

Sent: Thursday, February 01, 2018 1:46 PM

To: Messina, Edward <Messina.Edward@epa.gov>

Subject: RE: Talking Points for Peter

I understood that you got guidance from David yesterday on this? Did something change?

Marcia B Mia, Acting Chief

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From: Messina, Edward

Sent: Thursday, February 01, 2018 1:33 PM

To: Chapman, Apple <Chapman.Apple@epa.gov>; Sorrell, Virginia
<Sorrell.Virginia@epa.gov>

Cc: Mia, Marcia <Mia.Marcia@epa.gov>; Gregory, John <Gregory.John@epa.gov>

Subject: RE: Talking Points for Peter

I think we need to brief Susan and see how much she wants us to push back on these changes.

Ed Messina

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From: Chapman, Apple

Sent: Thursday, February 01, 2018 1:32 PM

To: Messina, Edward <Messina.Edward@epa.gov>; Sorrell, Virginia <Sorrell.Virginia@epa.gov>

Cc: Mia, Marcia <Mia.Marcia@epa.gov>; Gregory, John <Gregory.John@epa.gov>

Subject: RE: Talking Points for Peter

Best to lay down a marker, don't you think?

Ms. Apple Chapman |Deputy Director, Air Enforcement Division | U.S. Environmental Protection Agency

1200 Pennsylvania Ave. NW, Washington DC, 20004 |202-564-5666 (office)|202-841-6076 (mobile)|

From: Messina, Edward

Sent: Thursday, February 01, 2018 1:30 PM

To: Sorrell, Virginia <Sorrell.Virginia@epa.gov>

Cc: Mia, Marcia <Mia.Marcia@epa.gov>; Gregory, John <Gregory.John@epa.gov>; Chapman, Apple <Chapman.Apple@epa.gov>

Subject: RE: Talking Points for Peter

Seems like they are not making decisions at option selection. Do I still need to

comment.

Ed Messina

Director

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From: Messina, Edward

Sent: Thursday, February 01, 2018 12:50 PM

To: Sorrell, Virginia <Sorrell.Virginia@epa.gov>

Cc: Mia, Marcia <Mia.Marcia@epa.gov>; Gregory, John <Gregory.John@epa.gov>; Chapman, Apple <Chapman.Apple@epa.gov>

Subject: Re: Talking Points for Peter

Ok. Is there a separate requirement for tanks?

Ed Messina

Director

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On Feb 1, 2018, at 11:22 AM, Sorrell, Virginia <Sorrell.Virginia@epa.gov> wrote:

Hi Ed,

Good question...this is one of the points that is somewhat confusing because there seems to be some disconnect between expectations as to how most storage vessels would be treated under the rule, versus what seems to be happening. There are storage tanks at well sites that become subject to OOOOa through drilling of a well or modification to an existing well. Our observation is that the majority of such storage vessels are not claiming affected facility status under OOOOa because they are claiming to have legally and practically enforceable limits that restrict their potential for VOC emissions to less than 6 tpy. Those non-affected facility storage vessels are then included in the fugitives monitoring program for the well site that is subject to OOOOa. OAR is considering reducing the monitoring frequency for the fugitives monitoring program (or even eliminating it for "low production" well sites). Our observation is then that the reduction would then apply to most storage vessels currently claiming obligations under OOOOa.ell

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From: Messina, Edward

Sent: Thursday, February 1, 2018 9:14 AM

To: Mia, Marcia <Mia.Marcia@epa.gov>

Cc: Sorrell, Virginia <Sorrell.Virginia@epa.gov>; Gregory, John <Gregory.John@epa.gov>; Chapman, Apple <Chapman.Apple@epa.gov>

Subject: RE: Talking Points for Peter

Is the storage tank monitoring frequencies changing?

Ed Messina

Director

Monitoring, Assistance, and Media Programs Division

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ED_004016_00029300-00005

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From: Messina, Edward

Sent: Thursday, February 01, 2018 9:47 AM

To: Mia, Marcia <Mia.Marcia@epa.gov>

Cc: Sorrell, Virginia <Sorrell.Virginia@epa.gov>; Gregory, John <Gregory.John@epa.gov>; Chapman, Apple <Chapman.Apple@epa.gov>

Subject: RE: Talking Points for Peter

I passed these on to Peter and Penny.

Ed Messina

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From: Mia, Marcia

Sent: Thursday, February 01, 2018 8:27 AM

To: Messina, Edward <Messina.Edward@epa.gov>

Cc: Sorrell, Virginia <Sorrell.Virginia@epa.gov>; Gregory, John <Gregory.John@epa.gov>; Chapman, Apple <Chapman.Apple@epa.gov>

Subject: Talking Points for Peter

Importance: High

My apologies, there was a disconnect on who was sending this to you COB yesterday on my part so this didn't get to you.

Here is a short version:

Our OECA WG members are doing their best to meet the aggressive schedule set by OAR, but that has left little time for exploring options that were first presented and discussed on Monday. Up until Monday, the scope of the reconsideration has been rather vague and potentially broad so it was not clear what issues and options needed to be explored.

The oil and gas schedule provides no flexibility for the usual back and forth on which the two offices rely to ensure that OECA's experience with implementation of the rule (through AD's, enforcement and compliance assistance) is incorporated into Options Selection.

Our staff is working with the regions to collect data which we believe will help inform the cost effectiveness decisions for less frequent fugitives monitoring, especially with respect to emissions from controlled storage vessels subject to fugitives monitoring. To that end, they are working to set up a meeting shortly after options selection. We would ask that if possible, wait for this interaction before moving forward on your preferred options selection for the rule.

And some more detail if you want it:

Our OECA WG members are doing their best to meet the aggressive schedule set by OAR, but that has left little time for exploring options that were first presented and discussed on Monday. Up until Monday, the scope of the reconsideration has been rather vague and potentially broad so it was not clear what issues and options needed to be explored.

In discussing the issues and options presented on Monday, it became apparent that OAR was considering reducing IR camera fugitives monitoring frequency for low producing well sites, and well sites more generally, on the basis of the "model plant" analysis that attributes no benefits to monitoring storage vessels subject to the fugitives monitoring requirements.

OECA, regional, and state observations through inspections, enforcement actions, and review of reports indicates that the majority of storage vessels with obligations under OOOOa are claiming applicability of the fugitives monitoring requirements, not affected facility status. Inspections and field studies of emissions from well pads have documented that emissions from storage vessels tend to be much greater in frequency and magnitude than emissions from traditional LDAR components (valves, connectors, non-atmospheric PRVs, etc).

While the "model plant" used for the cost-effectiveness analysis did not ascribe any benefits to monitoring storage vessels in promulgating OOOOa, that decision was conservative since adding in those benefits would have just documented additional benefits for semi-annual monitoring, which was already demonstrated to be cost effective without those benefits.

Any decision to reduce monitoring frequency that does not consider the emissions benefits from monitoring storage vessels would be based on information that did not reflect real-world observations of operations and benefits. Failure to include this information risks policy-maker decisions being made on misleading information due to incompleteness, and would open the decision up to additional legal risk. In other words, excluding emissions benefits from monitoring storage vessels in a deregulatory action is no longer the conservative approach.

OECA staff can work with OAR staff and the Regions to provide policymakers with more accurate data as to real world emissions and regulatory benefits so as to better inform decisions and support the record. We would ask that if possible, wait for this interaction before moving forward on your preferred options selection for the rule.

Marcia B Mia, Acting Chief

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